

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
Sacramento, CA 94250-5878

DATE: August 12, 2004

PERSONNEL LETTER #04-008
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: JOHN R. HARRIGAN, Chief
Personnel/Payroll Services DivisionRE: **JULY 1, 2004 GENERAL SALARY INCREASE – CIVIL SERVICE BARGAINING UNIT 06**

The State Controller's Office will now process the Employment History (EH) update to implement the general salary increase and 7K salary change for rank and file classes and employees in bargaining unit 06. The salary changes were authorized by the Department of Personnel Administration in DPA Pay Letter 04-12. See the pay letter for further information on the salary changes.

General Salary Increase (GSI)

The salary increase shall be documented via the GEN transaction with a 07/01/04 effective date. The GEN transaction will reflect the GSI within the employee's base salary rate.

7K Salary Change

The 7K salary changes shall be documented via the SAL transaction with a 07/04/04 or 07/05/04 effective date. See DPA Pay Letter 04-12 for the effective date criteria.

EMPLOYMENT HISTORY INFORMATION/INSTRUCTIONS

Two EH mass updates will occur to post the above actions. The first will occur the night of August 12, 2004 to post the GSI. The second will occur the night of August 16, 2004 to post the 7K salary change. PPSD will also process the MSA mass update for bargaining unit 06 rank and file employees to post the 08/01/04 effective date MSA transaction. The MSA update will occur the night of August 12, 2004. Departments will be responsible for ensuring the salary changes per the DPA Pay Letter 04-12 are reflected on transactions key entered on/after August 16, 2004.

Turnaround (TAD) PARs will be issued after the 7K salary change mass update process. The TAD PARs will include the July 2004 effective date salary changes and the 08/01/04 effective date MSA transactions. The TAD PARs will be released on a flow basis.

PPSD will manually update the EH records rejected from the mass updates. Also, the mass update will not include EH records with an out-of-sequence status (i.e., EH record reflects transactions with an effective date after 07/01/04) or for employees who separated before 07/01/04 with lump sum pay extending into the 07/2004 pay period. PPSD will manually update these EH records.

SPECIAL EH DOCUMENTATION/PROCESSING INSTRUCTIONS

Once an employee's EH record is updated the GEN or SAL transaction could create an out-of-sequence condition. If allowed, salary rate must be entered on any new out-of-sequence transaction. If not entered, the rate per the GEN or SAL transaction will be reflected on the new transaction and could create an overpayment situation. See PAM Section 9 for further processing information.

Per DPA, the MSA transaction shall be applied before a salary range change. Thus, the 07/01/04 effective date MSA transaction must be posted on an employee's EH record before the 07/01/04 effective date GEN transaction. Key enter the GSI Code O (an alpha 'O' in the GSI field on the PAR1 update screen) on the MSA transaction to denote old salary rate. Failure to enter the GSI Code O could result in an incorrect base salary rate and/or anniversary date (i.e., overpayment).

PAYROLL ADJUSTMENTS

Adjustments for the 07/2004 pay period regular payments (except as noted below) and regular overtime payments (i.e., non-FLSA overtime pay) that have already been issued will be automatically made once the employees' EH records are updated for the salary changes. For employees updated via the EH mass update, the GSI pay adjustments will be made in the August 12, 2004 payroll cycle (issue date 08/13/04). Employees in the manual update process will have their regular and non-FLSA overtime pay adjustments issued once their EH records are updated.

Departments will need to request GSI adjustments to FLSA overtime pay (payment type 1, payment type suffix F) via the PIP System. See PPM Sections G020-024 and K for further information. Likewise, departments will need to submit Form STD. 674/674D to request adjustments for the following payments that have been issued for the 07/2004 pay period.

- Regular pay for intermittent time base employees in the 7K alternate ranges (adjustment should only be needed for time worked on/after 07/04/04 or 07/05/04 since the GSI adjustment pay should issue per above)
- Regular pay with dock applied for employees with a mid-month change
- Regular pay for employees on an alternate work schedule or paid from a shift designated agency code and time paid does not equal time possible for the pay period
- Industrial Disability (IDL)
- Temporary Disability (TD)
- Nonindustrial Disability Leave (NDI) if benefits begin in the 07/2004 pay period
- NDI Annual Leave Supplementation
- Out-of-class pay

- Supplemental premium/pay differential pay if the pay rate is based on a percentage of the employee's base salary rate and the employee is receiving a GSI
- Holiday pay, user entered rate (payment type S, payment type suffix G)

RETROACTIVE CHARGES

The transactions as a result of the July 2004 salary changes are considered to be non-controllable personnel and payroll transactions. The EH transactions and payroll adjustments resulting from the EH mass update should not be reflected on the Monthly Retroactivity Report. The EH transactions, except for the GEN transaction, and payroll transactions that are key entered or initiated by PPSD and departments will appear on the department's report. The department can return the report identifying the items associated with the July 2004 salary changes along with the appropriate explanation.

TELEPHONE CONTACTS

Questions regarding the salary changes and EH/payroll processing information can be directed as follows:

<u>SUBJECT AREA</u>	<u>CONTACT</u>	<u>TELEPHONE NUMBER</u>
Salary Program	DPA	(916) 323-3343
EH Procedures	Personnel Operations Liaison Staff	Call (916) 322-6500 for an updated list of SSNs and respective liaison staff
Disability Procedures	Disability Liaison Unit	(916) 322-3619
General Payroll Procedures	Payroll Liaison Unit	(916) 323-3081

JRH:LMS:PMAB